

STAFF REPORT

To: Finance Committee Date: July 24, 2012
Via: Gary Jackson, City Manager
From: Ken Putnam, PE, Transportation Department Director
Subject: Pay-By-Phone with Validation On-street Metered Parking Test

Summary Statement: The consideration of a proposal for Parking Division staff to test a pay-by-phone with validation system for on-street metered parking to enable customers to use credit or debit cards and an addendum to the current Fees and Charges Manual for the addition of a convenience fee.

Review: Parking Division staff constantly looks for ways to improve the overall parking experience in downtown Asheville for all of its customers. We are currently looking at options to enable customers to use credit or debit cards in addition to cash at the parking meters. One option that we would like to test for 90 days during the months of September, October, and November is a pay-by-phone with validation system. The system provides three convenient payment options including phone, text message, and mobile "app". The existing parking meters continue to function just like they do now and customers can continue to add coins. The only things added to the parking meters are stickers and/or signs giving instructions on how to use the pay-by-phone system. There is no initial capital outlay for the test. The vendor charges a \$0.25 per transaction fee (invoiced at the end of each month) and staff would like to pass that cost onto the customer as a convenience fee. The convenience fee would essentially keep all customers on the same "playing field" as to the current \$1.00 per hour parking meter fee. The current maximum time of two hours would not change.

Currently, there are about 740 metered on-street parking spaces in the Central Business District and for collection purposes, we have seven geographical zones (see Attachment # 1). The test would be in Zone 6 which includes Haywood Street, Battery Park Avenue, Wall Street, and Hiwassee Street. Zone 6 has about 104 on-street metered parking spaces and averages about \$14,000 per month in revenue.

In addition to the pay-by-phone with validation system, we are working with our existing parking meter vendor to provide actual credit/debit card capability at each individual parking meter. We are a confirmed "test" city and we anticipate receiving the appropriate equipment in the next several months to install on 10 to 15 parking meters.

This action complies with the City Council's Strategic Operating Plan in the Fiscal Responsibility Area with the goal to operate the City of Asheville to the highest levels of fiscal responsibility.

Pros:

- Enables customers to use credit or debit cards in addition to cash.
- Provides three convenient payment options to the customers.
- Provides validation enabling businesses an opportunity to validate a customer's parking experience.

- Requires no changes to the existing parking meters.

Con:

- \$0.25 per transaction convenience fee.

Fiscal Impact: The total anticipated cost of the “test” is about \$4,200 assuming a 40% credit/debit card transaction rate. That amount is currently budgeted in the FY 2012-13 Parking Enterprise Fund Operating Budget but it would be recovered by the convenience fee.

Recommendation: Staff recommends that the Finance Committee endorse and move forward to City Council for consideration a proposal for Parking Division staff to test a pay-by-phone with validation system for the on-street metered parking in Zone 6 for a period of 90 days to enable customers to use credit or debit cards and an addendum to the current Fees and Charges Manual for the addition of a convenience fee.

Attachment

(1) Parking Meter Collection Zones

